

FAQ on Modernizing Economic Development in Arizona

What does this restructuring effort mean?

This means that for the first time, there will be an unprecedented collaboration between economic development professionals from the private and public sector, the universities, community colleges and philanthropic organizations, all focused on one common goal: making Arizona's economy a new pinnacle for innovation and a player in the world stage.

Who will be involved?

This is a very inclusive group of entities. The restructuring includes a new coordinating nonprofit board, known as the Arizona Economic Resource Organization (AERO), that will provide policy leadership and guidance on economic development and job creation among our partner organizations including: The Commerce and Economic Development Commission, the Greater Arizona Development Authority, Science Foundation Arizona, the Arizona Department of Commerce and Arizona Global Network (AGN). AGN currently exists, but will be formalized and expanded under the new structure.

How will these different organizations operate?

AERO – which will be comprised of education leaders, public and private sector business leaders and directors, will provide the broad, overall policy guidance to the other groups:

- **CEDC** will continue to assist in developing a 10 year strategy for the state, and launch economy defining initiatives that impact regional and local economies.
- **GADA** is the entity that provides low-cost financing to political subdivisions, special districts and Indian tribes for the creation or improvement of public infrastructure projects that benefit economic development efforts of local communities.
- **SFAz** is a nonprofit entity that focuses on increasing science-based industries in our state, including engineering, bioscience, technology and other sectors.
- **AGN** will include members of the public and private sector that are involved in business attraction and development efforts in the rural and metro areas of the state. Additionally, AGN will include representation from regional economic development groups, higher education, the Departments of Tourism and Commerce and other entities, and will be responsible for developing and implementing a statewide foreign direct investment strategy, among other things.
- **Commerce** is the state agency that is responsible for statewide economic development efforts, including business and community development. Commerce's role is expanding in the coming months, and will soon be the point of contact for the state's planning office and the go-to for economic research and statistics.

How do we know this will work?

There are other states and nations that are utilizing a similar-type model to take their economic development strategies to the next level, including: Florida, Indiana and Ireland. The initial directors for both AERO and AGN will develop strategic direction, determine permanent membership and create performance measures to gauge success.

Where will the money come from to operate these nonprofit groups?

AERO will raise monies through private, philanthropic and other sources to finance economic development priorities and market Arizona to the rest of the world. AGN will be supported through its partners and staffed by the Arizona Department of Commerce.

What will happen with all the other economic development groups currently in operation in the state?

That is the key to our success as a state: using our collective expertise to encourage businesses to come here, grow and succeed in Arizona. Those entities will continue to operate but in a decidedly more coordinated fashion. We are all in this for the same reason: to promote our state, bring stable, quality jobs here, and excel in the global economy. This is why there is a need to involve so many different groups in this endeavor, so that we collaborate, not compete.

When will this plan be operational?

In the next few weeks, we will announce the initial membership for each board and file the articles of incorporation. The boards will set forth a strategic plan with the hopes of opening the doors at AERO sometime after the first of the year.